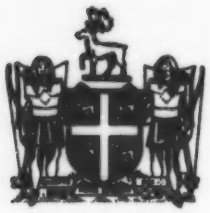

SPEECH FROM THE THRONE

Delivered at the Opening
of
The Third Session
of
The Forty-first General Assembly
of the
Province of Newfoundland

on Thursday, February 28, 1991

by
His Honour
The Honourable James A. McGrath, P.C., K.St. J., LL.D.
Lieutenant-Governor

Mr. Speaker and Members of the Honourable House of Assembly:

It is My great privilege and honour to welcome you on this historic occasion to the opening of this Third Session of the Forty-first General Assembly of the Province of Newfoundland.

This new chamber is the inheritor and the beneficiary of a honourable and colourful history of legislative assemblies from the first gathering in a downtown location through the Colonial Building and the Confederation-era chamber on the 9th and 10th floors of this building. The location of this new House of Assembly on the main floor of Confederation Building offers improved access to the public which it serves, and this is an appropriate commitment, both physically and philosophically, to guide our most important provincial institution into the twenty-first century.

While the level of debate in any legislature is not necessarily related to the character of the surroundings, I am confident that this new Legislative Chamber will facilitate the interventions of all Members. With the provision of adequate facilities for the Speaker and legislative staff, the government and opposition caucuses, and improved technical services and working accommodations for the Hansard staff and for the news media, the Members of this Honourable House and the people of Newfoundland and Labrador should be well served by this relocation.

In addition to the renewal of the physical environment, I am also pleased to note that My Government is committed to a process of parliamentary and electoral reform. A new Elections Act will be brought before this Honourable House during this Session to reform the overall process of electing Members to the House of Assembly and the financing of elections. The new Act is intended to place controls on sources of election financing, and make all political parties more accountable to the public in a more open, responsible, and credible system which will merit public confidence in the process of our democratic political system.

Mr. Speaker and Members of the Honourable House of Assembly:

The opening of this Third Session of the Forty-first General Assembly, in this new Legislative Chamber, together with the measures for electoral reform to which I have just referred, provide Members of this Honourable House with a unique opportunity to focus attention on the continuing process of parliamentary reform and the manner in which the people's business is conducted. It is incumbent on all those who seek and gain election to public office to discharge their responsibilities in the people's legislature with vigour and courage in the heat of debate, but always with a decorum that respects the traditions of parliamentary procedure and enhances the esteem in which the institution will be held. This Honourable House is the one institution that represents the hopes and aspirations of all the people of our Province. Consequently, it must always be open to new ideas and new approaches to the way the affairs of the people are administered. This Honourable House

should re-examine, from time to time, its practices and procedures to ensure that they adequately reflect the changes in our society and the expectations of our people in light of these changes. Members of this Honourable House have demonstrated their vision of parliamentary reform as an evolutionary process, and it is my fervent prayer that all who sit in this Honourable Chamber now and in the future will never lose sight of that vision. In this respect, I commend the initiative taken in the last Session which established Legislative Committees to allow direct public input into the legislative process. I believe it was one of the most important parliamentary reforms ever introduced to this Honourable House.

Mr. Speaker and Members of the Honourable House of Assembly:

Throughout its history, Newfoundland and Labrador has been largely captive to forces beyond its control. External economic forces, in particular, have a greater impact on this Province than on most other provinces of Canada because of our traditional dependence on resource-based export industries. The limited development and lack of diversification in our economy have caused the Provincial Government to be excessively dependent on fiscal transfers from the Government of Canada. These transfers increase or decrease depending on the economic performance of the richer provinces in the nation, and are subject to the effects of Federal Government expenditure restraint efforts as well as changes in the philosophical approach it adopts to regional disparity.

Notwithstanding the fact that these external forces impact significantly on the Province's financial position and available fiscal options, particularly at a time when the nation as a whole is in recession, we must not let them unduly interfere with our efforts to chart a positive future direction for our people.

Mr. Speaker and Members of the Honourable House of Assembly:

There is much, however, to be optimistic about in our Province today. Since My last Address to you, the historic agreements bringing the Hibernia Project to fruition have been signed.

This most exciting and challenging project is now underway and the economic benefits are already being felt. The Hibernia Project will be the foundation for a long term oil and gas industry for the Province. My Government is working closely with the Hibernia consortium, the Canada-Newfoundland Offshore Petroleum Board and the Government of Canada to ensure that industrial and employment benefits are maximized for the Province and for Canada as a whole.

Over the next year, My Government hopes to continue discussions with the Terra Nova consortium relative to the development of that field. My Ministers are optimistic about the prospects for a development decision for this and other offshore oil fields that will contribute to appropriately paced further development of our offshore oil resources.

During the past year, My Government has provided for continued discussions between Hydro Quebec and Newfoundland and Labrador Hydro concerning Lower Churchill hydro-electric power development. These discussions are proceeding well, and again, while nothing can be said with certainty at this time, My Ministers are encouraged by the general nature of the discussions and the extent to which agreement on certain issues has already been achieved.

Mr. Speaker and Members of the Honourable House of Assembly:

The fishery has always been, and continues to be, the economic backbone of the Province. Over the past several years, however, the performance of this critically important industry has been significantly eroded by changing resource management circumstances. During this period, major quota reductions have taken place in our key groundfish stocks, with the result that groundfish landings have declined by approximately 60,000 tonnes over the past four years. My Government continues to have a major preoccupation with difficulties being experienced within the fisheries sector.

It is clear that jurisdiction over, and constitutional responsibility for, the biological management of the fisheries rests with the Government of Canada. My Government does, however, have a responsibility to press for and ensure that any fisheries management measures which are taken are sensitive to the needs of the people generally and all participants in the fishing industry of this Province. My Government continues to impress upon the Government of Canada that stock rebuilding must be a priority fisheries management goal. Any management strategy that compromises this objective will not be acceptable to the Government of Newfoundland and Labrador.

A major contributor to the decline of our groundfish stocks continues to be foreign overfishing outside the two hundred mile economic zone on the "Nose" and "Tail" of the Grand Banks. My Government shares the disappointment of the Government of Canada over the results of its 1990 bilateral discussions with the European Community, but remains committed to working in cooperation with the Federal Government to seek an acceptable, permanent solution to this major problem. In the meantime, My Ministers will continue to seize every opportunity to address this issue directly with diplomats of the European Community.

Mr. Speaker and Members of the Honourable House of Assembly:

In light of the significant changes occurring in the fisheries sector, My Government has, in recent months, embarked upon the preparation of a comprehensive policy framework which should guide the industry over the foreseeable future. This policy framework will be released in the first half of 1991 and will address all structural aspects of the fishing industry. It will also address the need to establish an effective joint management regime between the Federal and Provincial Governments, which will give the

Province a greater voice in key fisheries management decisions and provide for integration of the policies of both orders of government.

Mr. Speaker and Members of the Honourable House of Assembly:

As My Ministers have indicated publicly over the past several months, the Province's financial situation is quite strained primarily as a result of certain federal and provincial factors affecting the Province's level of revenue. If this trend is permitted to continue, it could seriously jeopardize the ability of My Government to deliver essential services to our people and to take advantage of the many economic development opportunities which will be available to us over the next few years.

My Ministers are determined to ensure that this will not happen. The Province must retain the confidence of international and domestic capital markets. Over the last few years, when the Province has been faced with a choice between expenditure cuts and a combination of increased taxes and higher borrowings, it has frequently opted for the latter course. Because of substantial past borrowing and relatively high taxation levels, that option is currently available to My Government on only a very limited basis.

While some reasonable borrowing and tax measures may be appropriate, the only realistic and responsible option available to My Government is a broadly based program to slow the rate of expenditure increase. My Ministers are confident this can be accomplished without unduly affecting essential public services.

It is important that all who rely on funding from the public purse understand the gravity of the situation. My Government is committed to responsible management of the Province's finances and will take all steps necessary to accomplish this objective. It is unacceptable to expect the people of this Province to sacrifice their future to meet unrealistic demands today. My Government is prepared to take those difficult decisions now and be accountable for them to the people of the Province. During this Session you will be asked to implement measures to give effect to this policy and to grant supply to Her Majesty.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government is committed to the goal of developing a strong overall economy for the people of Newfoundland and Labrador - a goal that can be achieved by capitalizing on the right combination of resource and non-resource based opportunities, and a supportive government policy framework.

My Government's economic vision is that of a self-reliant society, where prosperity builds on the innovation, productivity and creativity of its people, its distinctive culture, and the unique advantages conferred through nature and geography.

My Government recognizes that the traditional resource sectors of the provincial economy do not offer the best immediate prospects for new job creation. They will, nonetheless, continue to play a major role in the economic life of the Province. We must continue our efforts to rationalize, modernize and increase productivity and efficiency in these sectors in order to maintain competitiveness and to retain or expand market share.

It is clear, however, that traditional approaches to economic development in Newfoundland and Labrador have met with limited success. There is a need, therefore, to expand upon the Province's traditional industries and to diversify the economy in general. Identifying new business opportunities will entail mapping out specific sectors that offer the best opportunities for growth, sustainable social and economic development, and long term employment.

In June of 1989, the Economic Recovery Commission was created to provide My Government with advice on, and implement or assist in the implementation of, new steps that were necessary to build the foundation for a stronger, more regionally balanced and self-sustaining economy. Having completed its work on the establishment of the new Enterprise Newfoundland and Labrador Corporation, and continuing to initiate specific business ventures, the Commission has now turned its attention to new areas in which our economy can grow and prosper. The Commission is working closely with the Province's business community and has identified a number of sectors where new opportunities exist for both employment and business development, the details of which will be released in the near future.

The Commission will continue to pursue its mandate with determination, and My Ministers are confident that the results of its efforts will be the significant long-term benefits to the Province that were envisaged in the initial concept of the Economic Recovery Commission.

My Government has also recently received the final report of the Task Force on Agrifoods. Steps are now being taken to review this report on a priority basis and to realign long standing policy and program directions in this area so that the agrifoods sector can make a more substantive and sustainable contribution to employment in the Province.

Mr. Speaker and Members of the Honourable House of Assembly:

In addition to the identification of resource and market opportunities, the process of economic development is very much reliant on supportive government policies and an attractive investment climate generally. To this end, My Government intends to review its policies so as to eliminate disincentives for enterprises to adopt more efficient methods of production and distribution in the Province.

My Government also feels that it is imperative for the Province to develop a strategic economic plan that reflects the broad policy directions referred to earlier in My Address.

Significant work has already been undertaken in this regard, and further work on the plan will be carried out in the coming months with adequate opportunity for public discussion.

There are also several elements to an economic development strategy in which the Federal Government can play an important role. These include federal procurement practices, the establishment of a greater federal presence in the Province and the effective coordination of federal regional development spending with provincial economic development programs and initiatives. My Government will be working diligently to maximize the role that the Federal Government can play in harmonizing federal economic development policy and priorities with those of the Province.

In pursuing our economic development and diversification objectives, My Ministers will strive to ensure that the tax system contributes to a positive business climate in the Province. To this end, My Government is committed to undertaking a thorough assessment of the Province's existing tax regime and will adopt reforms appropriate to achieve that positive business climate.

Mr. Speaker and Members of the Honourable House of Assembly:

The environment in Newfoundland and Labrador remains relatively unspoiled and must be protected in order to maintain a high quality of life for future generations and to serve as a basis for tourism development and attracting industry. In this context, My Government plans to identify and implement strategies that will better integrate economic and environmental decision-making in an effort to ensure the achievement of sustainable economic development. The recent creation of a Round Table on the Environment and Economy, which is composed of senior decision-makers and leaders from the private and public sectors in the Province, constitutes a significant first step towards the development of a consensus on how best to achieve our environmental goals. Other environmental initiatives will be brought before you for approval.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government remains committed to expediting the settlement of native land claims. The past year saw significant progress in this regard. In November, My First Minister together with the Federal Minister of Indian and Northern Affairs and the Labrador Inuit Association signed a Framework Agreement concerning the claim of the Inuit of Labrador. This document sets out the scope, parameters and process for the negotiation of an Agreement in Principle within a four year timetable. Those negotiations are currently in progress. Also, the Naskapi and Montagnais Innu of Labrador have held preliminary discussions with both levels of government with respect to their comprehensive land claim. My Government is hopeful that with the cooperation of all the parties, negotiation of a Framework Agreement with the Innu may proceed in the near future.

Mr. Speaker and Members of the Honourable House of Assembly:

While My Government continues in its efforts to seek out economic development opportunities, it will not lose sight of the importance of maintaining the best possible level of social, health, educational and general public services. The development of progressive social policy, however, has to be addressed in full appreciation of the financial realities facing the Province. This may require significantly different approaches to social programming.

In that regard, My Ministers believe there is a need to rationalize health care expenditures to reflect current demographic and technological developments. This action will not compromise overall health care in our Province. The Budget will outline My Government's plans for the health care system.

Mr. Speaker and Members of the Honourable House of Assembly:

As My Government identifies and pursues new growth opportunities in our economy, well-educated and highly skilled entrepreneurs, managers, professionals, technologists and technicians will be required. Whether the new opportunities arise in traditional resource sectors or in innovative technology companies, one of the chief inputs to successful enterprises is a well trained and highly skilled work force. My Government will support rationalization within the education system as one source of funds for undertaking long term educational improvement. The findings of the Royal Commission on Education will be particularly relevant to this strategy. Priority support will be given to raising proficiency in science and mathematics, computers, communications skills, cooperative education programs and entrepreneurship. The Department of Education has already undertaken several initiatives in these areas.

My Government recognizes that the current economic downturn will result in worker dislocations. Efforts will be made to minimize the effects of job loss on individuals and their families. Our participation with the Federal Government in the Older Worker Adjustment Program is an example of My Government's commitment in this area. We will, in as much as resources permit, continue to ensure that adjustment programs are made available to workers in communities hard hit by economic downturns.

In the area of labour legislation, My Government plans to proceed during this Session with amendments to The Labour Relations Act to address the sensitive issue of double breasting which has been the source of much controversy in recent years. My Ministers feel that this legislation is overdue and are confident that its passage will ensure a level playing field in labour/management relations in the construction industry. Other amendments to The Labour Standards Act will also be forthcoming that will ensure the fair and reasonable treatment of workers without unduly interfering with management's right to manage productively. My Ministers intend to continue to work closely with the labour movement and employer representatives to develop laws and practices to maintain harmonious labour

relations while ensuring fair and full protection of the interests of the workers of this Province and a work climate that will attract investment capital for job creating economic activity.

Mr. Speaker and Members of the Honourable House of Assembly:

The tragedy of child abuse had made it necessary for My Government to take special action to address this serious problem. The addition of more professional staff in the Department of Social Services has been a key step in this process. The additional staff will help ensure early detection and allow the justice system to take the necessary action in any given situation. As well, the introduction of legislation to provide a mandatory registration system for social workers will afford an added degree of support to victims suffering the trauma of this terrible ordeal. Much more will need to be done in the months ahead, particularly when the final report of the Hughes Commission is received. My Government will work closely with other organizations to ensure that the tragedies of the past are never repeated.

Family violence also continues to be a problem in our society. My Government, through the Newfoundland and Labrador Housing Corporation, is assisting victims of family violence to locate suitable housing and is working closely with women's organizations to ensure programs are responsive.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government recognizes the contribution of local artists to both the cultural and economic development of our Province and has been engaged in an ongoing review of the report of the Provincial Arts Study Committee. While implementation of the report must take place within the overall context of our fiscal limitations, My Government intends to provide some modest additional resources to this sector in the coming year. In the longer term, the Economic Recovery Commission will be assessing other initiatives to support this important industry.

Mr. Speaker and Members of the Honourable House of Assembly:

The national debate on Canada's constitutional future continues unabated. My Government will again emphasize its willingness to participate constructively in the process of constitutional change with a view to strengthening Canadian unity and our diverse yet tolerant society, as well as our collective ability to confront the challenges of the 1990s. My Government has equally emphasized at all times that it is essential that the whole nation address Quebec's legitimate concerns in a full and fair manner. We must, however, do so in a manner that is consistent with the fundamental principles of Canadian federalism.

My Ministers are concerned that opposing constitutional views are so strongly held, and affect matters so fundamental to the nation, that our best (and perhaps only) chance of achieving enduring resolution of our constitutional problems is to convene a national constitutional convention, with a mandate to identify the fundamental constitutional precepts that would reflect a compromise acceptable to the majority of Canadians reasonably representative of various parts of the country. If a compromise cannot be readily identified, such a national convention could develop alternatives that can be put to the Canadian people in a national referendum. It is likely that a national referendum will be necessary in any event.

My Ministers will continue to ensure that the constitutional interests of this Province and its people are properly represented and protected, but in the process, we recognize the priority that must be given to the overriding national interest.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government plans to place a number of important pieces of legislation before you this Session in addition to the legislative measures already referred to in this Speech.

A full listing of My Government's legislative agenda for this Session of the House of Assembly will be tabled at the earliest opportunity so that all Honourable Members can properly prepare for the upcoming proceedings.

Mr. Speaker and Members of the Honourable House of Assembly:

The world today continues to focus its attention on the military conflict in the Persian Gulf region. On behalf of the people of the Province, My Government pays tribute to the Canadian troops in the region and in particular those Newfoundlanders and Labradorians who are serving our country. I am certain that it is the prayer of every person in this Province that our men and women return safely to their families in the very near future.

Mr. Speaker and Members of the Honourable House of Assembly:

I invoke God's blessing upon you as you commence your labours in this Third Session of the Forty-first General Assembly. May Divine Providence guide you in your deliberations.